

The Georgia District Office

June 2009

Fuego Mundo Owner Uses New SBA Loan Provisions to Start Operations

The FuegoMundo Restaurant became the first small business in Georgia to receive an SBA guaranteed loan under the American Recovery and Reinvestment Act with a 90 percent guarantee and no fees. The federal law provides \$730 million to SBA and makes changes to the agency's lending and investment programs so the agency can reach more small businesses that need help.

"We were already excited at the prospect of starting our new business concept," said Masha Hleap-Hershkovitz, owner. "But with the benefits of this new SBA program to strengthen our business, we are even more optimistic at the prospects of success."

Ms. Hershkovitz used a \$550,000 SBA 7(a) loan from Signature Bank of Georgia to help finance her new South American style wood-fire grill. It opened on June 5 at The Prado development in Sandy Springs. She said the elimination of the loan fees totaled about \$12,000, money she can now put back into her new venture.

"With the higher SBA guarantee, the lender risk was reduced," added Terri Denison, SBA Georgia District Director. "The bank loan and SBA guarantee were approved in a matter of hours."

Others who joined Denison at a special check presentation to Fuego Mundo included Burton Blackmar, Vice President of Signature Bank, and Eva Galambos, the Mayor of Sandy Springs. A native of Colombia, Hershkovitz closed on her loan from Signature Bank on April 2.



Taking part in the check presentation were, from left, Masha Hleap-Hershkovitz, Burton Blackmar, Terri Denison, and Mayor Eva Galambos.

SCORE's "Toolkit" offers Help

Entrepreneurs can find help for their start up by going to a special web site, at www.score.org/accelerate. This has been set up by SCORE, Counselors to America's Small Business, to offer new toolkits with resources to battle the current recession.

Featured content includes a free online "Quick Start" Business Plan, and a site for free business mentoring. Each month, SCORE will offer a new online toolkit with special articles, pod casts and workshops. Look for new resources in June.

Recovery Act Helps SBA Lending

In the first eight weeks following the implementation of the Recovery Act, weekly loan volume in Georgia has risen 35 percent in the agency's 7(a) and 504 programs, compared to the prior eight weeks.

Loan volume for the entire U.S. was also up by 25 percent for the same lending categories. Nationally, shares of loans supported by Recovery Act funding has gone to rural (24 percent), minority-owned (22 percent), women-owned (19 percent) and veteran-owned (9 percent) businesses.

Since the Recovery Act was implemented, over 171 SBA guaranteed loans have been approved to small businesses in Georgia, with a total value of over \$67 million. (See page 3 for more details.)

IRS Booklet is Online

IRS Publication 583, Starting a Business and Keeping Records is available [online](#) and as a [PDF](#) file for printing. For other IRS information dealing with small business, go to www.irs.gov/newsroom.

Entrepreneurs Get Small Business Week Awards

SBA Georgia Small Business Person of the Year, **Scott Blackstock**, joined other entrepreneurs and small business Champions in Washington, D.C., on May 17-19 for National Small Business Week. Karen Mills, SBA Administrator, delivered opening remarks on Monday May 18th to kick off planned activities. Awards were presented for notable achievements in disaster recovery, government procurement, and other top-performing SBA resource and lending partners.



Terri Denison presents the SBA Award to Scott Blackstock at the recent Awards Luncheon.

On April 28th, Blackstock, with 11 car wash locations in Georgia and two other states, received his award at a luncheon where four other small business awards were presented by Terri Denison, SBA Georgia District Director. Other Georgia award winners were **Glenda Yvette Hicks**, CPA of Marietta, Women in Business Champion; and **Silah Williams**, President of Secured Financial Group of Marietta; SBA Financial Services Champion of the Year.

Two others received SBA state and Southeast Regional Awards. They were **Jeff Noser**, President of Jeff's Pool & Spa Service Inc., of Brunswick, the Young Entrepreneur of the Year. **Zaheer Faruqi**, President & Owner of Aventure Aviation, an aircraft parts and aviation services firm based in Peachtree City, took the Exporter of the Year Award. All of the winners were nominated by offices of the Small Business Development Center (SBDC) network, a SBA resource partner and service of the State of Georgia.

A Georgia Tech engineering graduate, Blackstock has built his Tidal Wave car wash business into a company with nearly 100 full and part-time employees and sales that reached over \$6.5 million in 2007.

Ms. Hicks started her own CPA firm in Miami in 1999 after building her career with Coopers & Lybrand, LLP, a former Big 8 accounting firm.

Williams established his own firm in early 2004 after working with Wachovia Bank, where he was vice president in its wholesale Business Banking Division. He teaches banking seminars at the Clayton State University SBDC.

Faruqi established Aventure Aviation in 2001 and reached annual sales of over \$3.5 million by 2007. With 10 employees, about 95 percent of his company's revenues come from export sales of parts, other components and aircraft leasing.

Noser opened his pool service business in late 2005. He has 25 employees who service clients in a five-county customer base in Southeast Georgia.

New e-200 Series Starts in Atlanta

The SBA has started its second series of Emerging 200 workshops for a selected group of Atlanta inner-city small business to help them achieve their full potential in the face of current economic recession.

A group of 11 small businesses, ranging from a towing service to an architectural firm, are participating in the agency's "e200" initiative, a jobs and growth stimulation effort targeting promising inner-city businesses. The SBA initiative focuses on small, poised-for-growth inner-city companies with a potential for job creation. "The basic goal of our e200 initiative is to help promising inner-city firms move to the next level," said Terri Denison, Georgia District Director.

Ruth King, veteran management trainer and head of Business Venture Corp., is the course facilitator.

The participating companies are Urban Structures Development, Enrichment Bookstores Inc., Brown & Pipkins LLC, Bryant Auto & Towing Service, The Coleman Group Inc., HG Construction Concepts, HA Office 515, Inc., Kronberg Wall Architects, Prestige Design Group Inc., Atlanta Cargo Transportation, and Kera Enterprises Inc.

Vet Workshop is July 7th

The next SBA Veterans Forum will be held on July 7th in Gainesville at the Small Business Development Center (SBDC) office in the Featherbone Center. The forum will run from 8:30 a.m. to noon at the center located at 999 Chestnut Street, Gainesville, GA 30501.

The forum will cover SBA programs and services including the SBA Patriot Express Loan Initiative. These loans are made by commercial banks and total up to \$500,000. The loans carry the SBA's lowest interest rates.

These loans target veterans, service-connected disabled veterans along with active duty personnel near retirement.

To register, contact Jorge Valentin-Stone at 404/331-0100, ext. 609, or email Jorge.valentin-stone@sba.gov.

Recovery Act News

More Details on SBA's ARC Loan Program With June 15th Posted as the Kick-off Date

As part of the Recovery Act, SBA has been authorized to implement the America's Recovery Capital, or ARC loan program to give viable small businesses suffering immediate financial hardship some temporary financial relief so they can keep their doors open and get their cash flow back on track. The deferred payment,

no-interest loan are designed to help small businesses make payments on existing small business debt.

America's Recovery Capital (ARC) loan program is an entirely new, temporary program authorized by the Recovery Act and currently being developed by the SBA. ARC loans will

provide small businesses access to the capital needed to drive economic recovery and to create and retain jobs. SBA Administrator Karen Mills announced at the start of Small Business Week that the SBA will start providing its guarantee on ARC loans beginning on June 15.

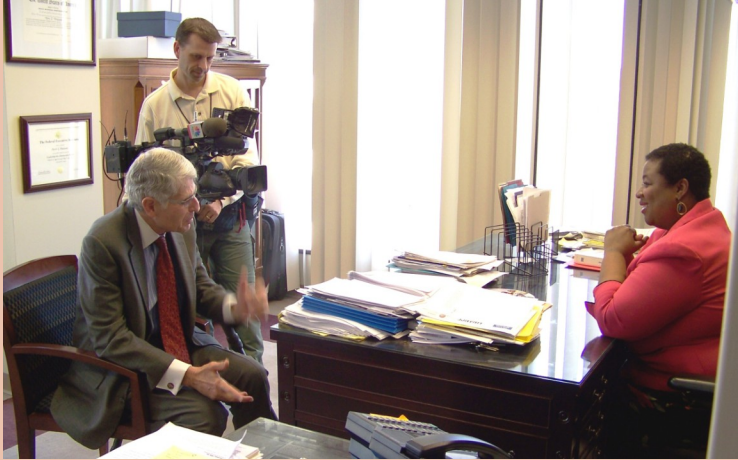
The ARC program will provide a deferred-payment, no-interest loan of up to \$35,000 and is available to viable, for-profit small businesses located in the United States that need short-term help to make their principal and interest payments on existing, qualifying loans.

ARC loans will be made by commercial lenders and carry a 100 percent SBA repayment guarantee, and will have no SBA fees associated with them. Existing SBA lenders are eligible to make ARC loans.

Approved ARC loans will disburse funds to be used for payments of principal and interest for up to six months for existing, qualifying small business loans.

The loans will be disbursed over the course of six months, followed by 12 months during which no repayment is required. After a 12-month deferral period, the borrower will pay back only the ARC loan principal over a period of up to five years. No repayment of interest is required.

This new ARC loan program is intended to give existing, viable small businesses who are suffering immediate financial hardship some temporary financial relief to keep their doors open and get their cash flow back on track. Information on ARC loans, for both lenders and borrowers, can be found at www.sba.gov.



11Alive TV Business Editor Bill Liss recently interviewed SBA Georgia District Director Terri Denison about small business provisions of the Recovery Act.

8(a) Program Helps Woman-Owned Firm Move to Larger Projects

For Gail Holland, President of Holland and Holland Inc., being certified as an 8(a) firm in 2003 came at just the right time for her construction business. She and her husband, project manager for the Hinesville-based firm, started out as residential builders, but housing hit the skids in nearby Savannah after the first Iraq war. That prompted their move to commercial construction and the SBA 8(a) Business Development Program.

"The 8(a) program has been very beneficial to us," says Ms. Holland. "Companies that wouldn't talk to us before, are now calling about doing business."

Since they entered the program, Holland said her company has gotten over 55 contracts through 8(a) including several projects at Ft. Stewart near Savannah. Their firm has about 15 employees and annual revenues of over \$5 million.

The 8(a) Business Development Program provides various management and technical assistance to foster growth of socially and economically disadvantaged individuals. *For detail, contact the 8(a) Office at (404) 331-0100, ext. 504.*



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Hurricane Season is Here

Small Businesses, Home Owners Urged To Prepare for Disaster Before It Hits

As those living near the Gulf of Mexico and along the Eastern Seaboard prepare for another Atlantic Hurricane season (It began June 1 and runs through November 30.) the U.S. Small Business Administration is reminding small businesses, homeowners and renters nationwide to write down their emergency preparedness plan before disaster hits. Regardless of where you live, it's a good idea to be ready for any kind of crisis.

"Every threat, from wind storms, floods and wildfires, to power outages and computer system failures, reminds us to be proactive when it comes to building strategies to survive a disaster and recover quickly," said SBA Administrator Karen G. Mills. "The catastrophic events of the last few years demonstrate the need for preparedness at the individual level, to diminish the risk to life and property."

In the aftermath of last year's Midwest Floods, and Hurricanes Gustav and Ike—which pounded parts of Louisiana, Mississippi and Texas last summer—the SBA approved more than 23,000 disaster loans for a total of \$1.2 billion.

Disaster preparedness for homes and businesses should include:

A solid emergency response plan. Find evacuation routes from your home or business and establish meeting places. Make sure everyone understands the plan beforehand. Keep emergency phone numbers handy. Business owners should designate a contact person to communicate with other employees, customers and vendors. Ask an out-of-state friend or family member to be your "post-disaster" point of contact—a person to call to provide information on your safety and whereabouts.

Adequate insurance. Disaster preparedness begins with having adequate insurance coverage—at least enough to rebuild your home or business. Homeowners and business owners should review their policies to see what is not covered. Businesses should consider "business interruption insurance," which helps cover operating costs during the post-disaster shutdown period. Flood insurance is essential. To learn about the National Flood Insurance Program, visit the Web site at www.floodsmart.gov.

Making copies of important records. It's a good idea to back up vital records and information saved on computer hard drives, and store those items at a distant offsite location. Computer data should be backed up routinely.

A "Disaster Survival Kit." The kit should include a flashlight, a portable radio, extra batteries, a first-aid kit, non-perishable packaged and canned food, bottled water, a basic tool kit, plastic bags, cash, and a disposable camera to take pictures of the property damage after the storm. More tips for businesses, homeowners and renters are available on the SBA's Web site at www.sba.gov/disasterassistance.

SBA Loans for Floor Plans At Auto and RV Dealers

The U.S. Small Business Administration will offer government guaranteed loans to finance inventory for eligible auto, recreational vehicle, boat and other dealerships under a new pilot program announced by SBA Administrator Karen Mills.

Dealer Floor Plan (DFP) financing will be available beginning July 1, according to Mills.

Floor plan financing is a line of credit that allows dealers to borrow against their inventory, and then repay that debt as they sell their inventory or borrow against the line of credit again to add new inventory.

DFP loans will be made through SBA lenders only for titled inventory, including autos, RVs, manufactured homes, boats and motorcycles. The pilot program will be available through Sept. 30, 2010, at which time the SBA will make the determination of whether or not to extend the program.

Atlanta Microloan Makes The New York Times

A national business story that appeared recently in The New York Times featured a \$5,000 loan made to a janitorial firm by the Atlanta Micro Fund (AMF), an SBA certified microlender.

"Demand is definitely strong for our program," says Marvin Bryant, President of AMF. Bryant said his nonprofit organization expects to close on at least 28 micro loans this year to small businesses in metro Atlanta, a jump from 18 loans issued a year ago.

The New York Times covered a loan made by Bryant's fund to Charles E. Berry, President of C.E. Berry Janitorial Service in Atlanta. Berry told the paper that he was caught in a squeeze after his local bank didn't renew his financing and he needed funds to meet payroll on a large new contract.

Without the microloan, Berry said he would not have been able to grow his business. Atlanta Micro Fund can be contacted at 404/525-8418.